

U.S. TRADE AND DEVELOPMENT AGENCY

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NEWS RELEASE July 28, 2010 **MEDIA INQUIRIES:**

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U.S. GRANTS Php 16 MILLION TO SUPPORT HYDROELECTRIC POWER EXPANSION IN MINDANAO

MANILA, PHILIPPINES – In order to address the growing demand for electrical power in the Philippines, the U.S. Trade and Development Agency (USTDA) today awarded a grant totaling over Pesos16 Million to First Gen Mindanao Hydro Power Corporation (FGMHPC) to assess the requirements needed to expand its hydroelectric power plant in Northern Mindanao.

The USTDA grant will fund a feasibility study for a 14-20 megawatt run-of-river hydroelectric power plant in the municipality of Cabadbaran in the Mindanao province of Agusan Del Norte. The results of the study will include a hydrology analysis, geotechnical assessment and mapping, environmental and social impact assessments, as well as preliminary designs for the power plant.

The feasibility study is part of the U.S. commitment to support the Philippines in its efforts to develop renewable energy sources and to increase electrification across the country. Once completed, this project will help improve access to electricity for 20,000-28,000 households in Northern Mindanao.

During the grant signing ceremony at the U.S. Embassy, U.S. Ambassador to the Philippines Harry K. Thomas, Jr. said the funding "is yet another example of the U.S. Government's commitment to renewable energy and infrastructure development in Mindanao." He added, "this agreement will also promote trade and establish long-term economic linkages between the United States and the Philippines. This will result in more jobs for both Filipino and American workers."

Annual power demand is growing at an annual pace of 7.3% and the Philippine Department of Energy aims to have 10% of electricity production come from hydropower.

FGMHPC's President and COO Francis Giles Puno, for his part, said the grant will definitely help in providing additional supply of power to the Caraga region of Mindanao following the brownouts and power outages it suffered in 2009.

Puno added that "First Gen appreciates the support provided by USTDA in its efforts to develop and execute this project to meet the region's growing demand for electricity particularly from clean and renewable power such as hydro."

First Gen Mindanao Hydro Power Corporation will use its vast experience from the operations and development of its First Gen-affiliated hydroelectric projects such as the 122-megawatt Pantabangan-Masiway hydro plant in Luzon and a 1.6- megawatt plant in Bukidnon to complete the project with USTDA's support.

USTDA is also currently funding a technical assistance program with the Philippines' Rural Electrification Financing Corporation.

The opportunity to conduct the USTDA-funded feasibility study will be competed on the Federal Business Opportunities (FBO) website. A link to the FBO announcement will be posted in USTDA's website at www.ustda.gov. Interested U.S. firms should submit proposals according to the instructions in the FBO announcement. The First Gen Mindanao Hydro Power Corporation will select the U.S. contractor that will complete the technical assistance.

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The <u>U.S. Trade and Development Agency</u> advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds technical assistance, feasibility studies, training, orientation visits and business workshops to support development of modern infrastructure and a fair and open trading environment. USTDA's efforts create an enabling environment for trade, investment and sustainable economic development.